DR. R. K. PODDAR: Not humanitarian.

MR. CHAIRMAN: Sympathetically.

DR. R. K. PODDAR: The court has given a verdict in his favour. He has been reinstated. The question whether he should be promoted or not is a separate one. But Sir, the Supreme Court has held, in another case, that when an individual is reinstated, he should be paid the arrears of pay due to him during his period of suspension. He is being denied that much.

SHRI ARJUN SINGH: As I have stated, he was reinstated in 1987 on some ground which I need not now elaborate here. After that the Vidyalaya Sangathan went into the special appeal which has been admitted. I am sure, the High Court would not have admitted the leave petition unless there were some valid grounds to do so.

So far as the question of harassment is concerned, I can assure the hon. Member that there is no desire nor shall we permit anybody to be harassed against the rules and provisions that exist in law. I can give you that assurance and I will look into the factor whether the pendency of the leave petition in the High Court is precluding him from getting arrears. If that is the position, we will pay him the arrears.

*243. [*The questioner (Shri Ashwani Kumar) was absent. For answer* vide col. 42-43 *infra*].

इस्पात क्षेत्र में पूर्ववर्ती सोवियत संघ से सहायता

*244. डा० जिनेन्द्र कुमार जैन :†
श्री राम जेठमलानी :

क्या इस्पात मंत्री यह बताने की कृपा करेंगे कि :

(क) क्या यह सच है कि पूर्ववर्ती सोवियत संघ देश में विभिन्न इस्पात संयंत्रों के आधुनिकीकरण के संबंध में सहयोग दे रहा था ;

(ख) यदि हां, तो उन परियोजनाओं के नाम क्या हैं जिनके आधुनिकीकरण के लिए पूर्व वर्ती सोवियत संघ से सहायता प्राप्त करने के संबंध में अंतिम निर्णय ले लिया गया था तथा उस सहायता का स्वरूप क्या था ;

(ग) क्या यह सच है कि हाल में सोवियत संघ के विघटन के पश्चात् ये सभी परियोजनाएं इस समय लम्बित हैं ; और

(घ) यदि हां, तो इन परियोजनाओं के संबंध में सरकार द्वारा क्या निर्णय लिये गये हैं तथा इन परियोजनाओं के कार्य को पूरा करने के लिये क्या-क्या योजनाएं बनाई गई हैं ?

THE MINISTER OF STEEL OF THE MINISTER OF STEEL (SHRI SONTOSH MOHAN DEV): (a) to (d)A Statement is laid on the Table of the House.

Statement

Assistance from Erstwhile USSR in Steel Sector

(a) and (b) Yes, Sir. Companies belonging to the erstwhile USSR are currently engaged in the following projects/modernisation schemes:

(i) Modernisation of Bokaro Steel Plant;

(ii) Modernisation of the Rail and Structural Mill at Bhilai Steel Plant;

(iii) Supply of Turbo-Compressor for Bhilai Steel Plant;

(iv) Slag Granulation Unit for Blast Furnace-5 at Bokaro Steel Plant;

(v) Four global packages for Durgapur Steel Plant modernisation;

(vi) Visakhapatnam Steel Project.

† सभा में यह प्रश्न डा० जिनेन्द्र कुमार जैन द्वारा पूछा गया ।

Their bids for some global packages of the Rourkela Steel Plant modernisation are also currently being evaluated.

The nature of assistance from the erstwhile USSR included state credit/ suppliers credit; transfer of technology; supervision and services; supply of plant and machinery; and Research and Development.

(c) and (d) No, Sir. The projects are at various stages of implementation/consideration.

The Member States of the Commonwealth of Independent States (Republics of the former USSR) have in their Declaration at Head-of-State level, on 21st December, 1991, guaranteed in accordance with their constitutional procedures, the fulfilment of international obligations stemming from the Treaties and Agreements of the former USSR.

DR. JINENDRA KUMAR JAIN: Sir, in 1950 India's annual steel production was 1.5 mt, China's production was 02. mt while Japan's production was 5 mt. In 1989 while we increased our production 10 times, China increased its production 60 times, Japan increased its production from 5 mt to 110 mts. What I am trying to point out is that we try to build our skilled technology having Russia as our major partner. That technological effort on our part has resulted into two factors. Firstly, that we have lagged behind in our production capacity and, secondly, today our competitiveness is not there. There also we have lagged behind. Therefore, Sir, you may kindly allow me two supplementaries.

MR. CHAIRMAN: But restrict them to the question here. You have only sought information about...

SHRI JAGESH DESAI: He is giving information only.

MR. CHAIRMAN: I have referred him back to his question.

DR. JINENDRA KUMAR JAIN: My first supplementary is related to the technological backwardness. I would like to know whether it is true that while the energy consumption in our units is 9 to 6 bigha calories per tonne of steel production, it is 4 to 6 bigha calories in advanced countries. The other component is the manpower. While our manpower input is 122.43 hours, it is only 10 hours so far as advanced countries are concerned. Therefore, is it true that the technology that we use is so much backward?

SHRI SONTOSH MOHAN DEV: Sir, most humbly I would say that I would not agree to the statement of the hon. Member saying that the because of our collaboration with Russia we have gone behind in the quantum of production of steel. When Pandit Jawaharlal Nehru was alive, I have been told, they went all over the world for technology in steel. Only Russia came to help us. Everybody was asking as why should we go in for steel production. They said, you give us iron ore, we will give you finished product. Russia came forward. Not only that, they helped us in Bhilai, Bokaro and Vizag. Their technology is not outdated because of the fact that today Russia is producing 160 million tonnes of steel which is the largest in the world. It is a fact. In computer technology, in automation or soft technology, Russian technology is a bit backward. That is why in that area we are calling for global tenders. It is not that we go to Russia only. In global tenders if others are competent, we are taking. It is a fact, what the hon. Member has said, that our cost of production, in comparison to that of other countries, is higher because of the fact that we depend largely on the import of coking coal from outside. Our production of coking coal with the country does not meet the requirement. Apart from that, getting quality coal in our country is quite costly. It is dependent on the position of the coalmines from the steel plant. The rail freight goes up. The power cost goes up. Recently the budgets of the State

Government and the Central Government have put a burden of Rs. 1,500 in the input cost in steel production. Steel companies have not increased the price of steel as yet. Some time they would have to do it. The Prime Minister says, "Don't do it." But this is the reason. The input cost in our country is largely coming not from our side but from others on whom we are depending. This is the main reason.

As regards the question of whether the production in our country is comparatively less, yes, I agree that the production is more in China and Japan. This is why we have taken out steel from the public sector. It is now open for anybody to start a steel plant. There is no need for having a licence. He has to take only input linkages. Not only that, the Government of India has taken a decision that whoever starts a steel plant in our country by reducing our exports of iron ore, that is, whoever needs iron ore for production of steel, will be given preference. Therefore, confidence building will be there for the private sector to come, and I think things will change in future.

DR. JINENDRA KUMAR JAIN: Sir, I want to assure the hon. Minister that I am not questioning the past; I am only questioning the wisdom of today's decision. I would like to know from him whether it is true or not. The hon. Minister has said that in our bids only the Russian came forward. They came forward because there were no buyers of their technology. I would like to know from him.

SHRI JAGESH DESAI: Others were not giving the technologly to us. (*Interruptions*)

MR. CHAIRMAN: He is talking of 1952.

DR. JINENDRA KUMAR JAIN: I am talking of 1992.

I refer to the statement....

MR. CHAIRMAN: These plants were started in 50s, some of them, like Bhilai and others.

DR. JINENDRA KUMAR JAIN: Only three days back the hon. Prime Minister made a statement in this very House while replying to the debate on the President's Address and he assured the House that we would now try to develop our technology so that we do not export iron-ore and do this. My concern is, even today while the production cost in Japan is down by 29 per cent, in the United States it is down by 8 per cent, in Germany it is down by 5 per cent, instead of going to these proven technologies where the production costs are down, still, why we are pursuing the Russian technology which has failed us so far.

MR. CHAIRMAN: You get Japanese and other technologies. I don't think he will come in the way. Will you come in the way if Mr. Jain puts up a plant with Japanese technology?

SHRI SONTOSH MOHAN DEV: I mentioned about Russia coming to help us in the initial stages.

MR. CHAIRMAN: In 50s.

SHRI SONTOSH MOHAN DEV: Take Rourkela. We are having five global packages. The tenders have come from Germany, U.K. as well as from others. On merit it will be decided. It is not that nothing will be given to others because Russia is there. If Russia can compete, they will get it. If Germany can compete, they can get it. In other plants we have taken help on global packages from other countries too. In Durgapur modernisation, countries other than Russia are there, German firms and a Swiss firm are there. So, it is not a fact.

About the cost of production, yes, we know that our cost of production is more, and we have taken steps, and now the cost of production is coming down. This is one area which is our

weakness, and we must see that the cost of production comes down. Our labour cost is cheap, and he is very right. In Vizag with the capacity of 1.5 million tonnes, whatever manpower I have got is half the figure in other plants because in those days the manpower was taken in larger number, and we have to see that employment is also generated. But with modernisation, the manpower requirement is coming down. By that we have got in Vizag about 14000 people as against 35000 people in Rourkela plant. Now the cost of production in Vizag is comparatively less than in the other plants. So we are also trying to reduce the cost. I am grateful to the hon. Member that he is worried about it. As a Minister I am equally worried about it. The Government is also worried about it. We will do it. ...*(Interruptions)*...

SHRI G. G. SWELL: Sir, it is all right to talk about history how the Russians came to our assistance.

MR. CHAIRMAN: Let us not be involved in history. Let us come to the present.

SHRI G. G. SWELL: I am putting the question.

Well, I would remind what Mr. Jain has said that the Prime Minister had stated in this House that we are not going to export iron-ore any more.

MR. CHAIRMAN: He is not changing. Are you changing that?

SHRI G. G. SWELL: Why don't you allow me to put the question?

SHRI SONTOSH MOHAN DEV: There is a confusion. The Prime Minister has never said that we will not export iron-ore. He has said that we will give preference to the domestic-users rather than...*(Interruptions)*...

SHRI G. G. SWELL: We could go through the record. I did hear when he said that. He said that we are going to process this in our own country using the latest technology in steel manufacture.

Now the Minister seems to think that the whole world is trooping into this country. He has said that he has floated global tenders naming this country has come, that country has come, here and there and so on. I would like to know from the Minister whether his Ministry has made a world survey as to in which country we get the latest and the most efficient technology for steel manufacture, whether that country has come to India and whether we are going to clinch any deal with any particular country for a particular company.

SHRI SONTOSH MOHAN DEV: Sir, when the Government-to-Government cooperation is done, then, this scenario can be considered. When I call for a global tender, it is up to the other parties and other countries' companies to come. But the hon. Member will be pleased to know what I have said previously. Now in the global tender UK, Germany, USA and Italy, all are coming besides Russia and we are evaluating them on merit and whoever can take it, they will be given. As the Prime Minister has very rightly said the technology change has to be there and it should be upgraded. We are at it.

SHRI JAGESH DESAI: Mr. Chairman, Sir, so far as the Bokaro steel plant is concerned, the production of crude steel in 1989-90 was 26 lakh tonnes. It has gone up to 34 lakh tonnes in 1991-92. That means, there is an increase of 30 per cent.

Similarly there is increase in production of saleable steel also. In spite of high production and improvement by 30 per cent in the case of crude steel and 15 per cent in saleable steel, the profits are going down in Bokaro steel plant. In 1989-90 it was Rs. 256 crores. Now it is Rs. 190 crores in spite of such a huge production. May I know from the Minister what are the reasons for such losses and what

are they going to do to maintain profits? When production is higher, profits also should be higher. Now profits are less. What are the reasons?

SHRI SONTOSH MOHAN DEV: Sir, what the hon. Member has said is right. It is mainly due to inadequate and inconsistent supplies of metallurgical coal affecting particularly the sensitive large furnaces in Bokaro. We had some problem with the Bokaro plant which has since been rectified. Now the production has gone up. As I said....

MR. CHAIRMAN: You expect more profits now?

SHRI SONTOSH MOHAN DEV: Yes, Sir, we expect more profits. Though the input cost has increased, steel companies are not adding it to the sale price considering the present economic situation of the country. If we do this, we can earn profits. But in the larger interest interest of the consumer, we have not done it. But there are certain weaknesses in Bokaro plant including in the blast furnaces. We had taken some steps to rectify it. Not only that, today there was another question regarding this plant. There I have said that the capacity utilisation will also be improved further because now it is 83 per cent. We should raise it to 90 per cent of the installed capacity. I am sure the manner in which Bokaro is doing, they will improve. We are also equally worried what the hon. Member has said about the profitability.

DR. R. K. PODDAR: Sir, it has become fashionable in some quarters to blame our friendship with the former Soviet Union for many of our ills. You, Mr. Chairman, as well as the Minister, correctly observed that it was the former Soviet Union which came to our help....

MR. CHAIRMAN: No. I did not say that. What he referred to was the early 50s.

DR. R. K. PODDAR: After the Soviet Union came forward to help us, West Germany came and the Rourkela Steel Plant was set up; the British came and the Durgapur Steel Plant was set up. I want to know from the Minister which of these three is more efficient today and whether our home expertise has developed far enough to absorb advanced technology anywhere in the world and whether we are in a position to utilise our own expertise to develop our technology.

SHRI SONTOSH MOHAN DEV: As I have already stated, in the field of computers and automation, Russia is slightly weaker not as efficient as some other countries. But in the structure and construction of heavy machinery, Russia is still at the top. There is no doubt about it.

MR. CHAIRMAN: His question is whether it is a fact that the... (*Interruptions*).

DR. R. K. PODDAR: I want to know, of the three steel plants, the Russian-sponsored one, the West-German-sponsored one and the British-sponsored one, which is more efficient.

SHRI SANTOSH MOHAN DEV: Each Plant has its own special features. It will be very difficult for me to give a comparative statement there because I feel all of them are equally good. As a commercial man in steel, it will not be proper for me to say such and such is inferior to such and such. It will not be wise. All the plants are now improving. This year also, the Steel Authority of India will earn profits.

MR. CHAIRMAN: He wants to know which of the plants is making profits.

DR. R. K. PODDAR: No, Sir. (*Interruptions*).

SHRI JAGESH DESAI: I have given the figures for the Bokaro Steel Plant.

MR. CHAIRMAN: If everybody speaks, things will be difficult.

DR. R. K. PODDAR: There are two simple criteria.

MR. CHAIRMAN: What is your question?

DR. R. K. PODDAR: I want to have a comparison of the three steel plants at Durgapur, Bhilai and Rourkela with regard to the energy and man-hours required to produce one tonne of steel.

SHRI SONTOSH MOHAN DEV: As far as profitability is concerned, Bokaro is still the best. Durgapur is not that good compared to Bokaro.

MR. CHAIRMAN: His question is with reference to energy-efficiency.

SHRI SONTOSH MOHAN DEV: On the aspect of energy-efficiency, more or less it is equally good. Durgapur, because of the poor raw materials and the non-availability of upgraded equipments is not that good. Bokaro is the best in comparison to the others.

MR. CHAIRMAN: What about the Indian technology being able to absorb the latest technology?

SHRI SONTOSH MOHAN DEV: Sir, as you know, Bokaro is a 'Swadeshi' plant. Almost 80 per cent of the machinery are indigenous. Now we are having indigenous machinery constructed within our country.

MR. CHAIRMAN: So, you agree with him that we can absorb the latest technology.

SHRI SONTOSH MOHAN DEV: Yes.

*245: [*Transferred to the 26th March, 1992*].

*246. [*The questioner (Prof. Sourin Bhattacharya) was absent. For answer* vide *col.* 43-44, infra].

*247. [*The questioner (Shri Jagadish Jani) was absent. For answer* vide *col.* 44-45 infra].

बोकारो इस्पात संयंत्र

*248. श्री शंकर दयाल सिंह : क्या इस्पात मंत्री यह बताने की कृपा करेंगे कि :

(क) पिछले दो वर्षों के दौरान बोकारो इस्पात संयंत्र में कितना उत्पादन हुआ और संयंत्र के लाभ-हानि का ब्यौरा क्या है ; और

(ख) आगामी दो वर्षों के लिये उसके उत्पादन का प्रत्याशित लक्ष्य क्या है ?

THE MINISTER OF STATE OF THE MINISTRY OF STEEL (SHRI SONTOSH MOHAN DEV): (a) and (b) A statement is laid on the Table of the House.

Statement

Bokaro Steel Plant

(a) The production of Bokaro Steel Plant during the last two years is as under:—

(in lakh tonnes)

Years	Hot Metal	Crude Steel	Saleable Steel
1989-90	32·00	26·54	23·25
1990-91	32.67	28·06	24.26
1991-92 (Likely)	33·40	34·00	27·00